

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2254

January 19, 2012

SUMMARY OF BILL: Requires local education agencies (LEAs) considering consolidation under Tenn. Code Ann. §§ 49-2-501, -502, or -1002, to agree on a transitional funding plan for the consolidated school system before a referendum on the dissolution of an LEA may occur. Requires that the transitional funding plan include maintenance of effort funding. Directs that the plan be submitted to the Commissioner of Education and be approved before the referendum on the dissolution of the LEA occurs. Requires the Commissioner of Education to establish a transition funding plan if no agreement between the local education agencies is reached.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The Commissioner of Education will review the consolidation funding plan and establish a plan for the LEAs, if necessary, within existing resources without additional personnel or a decrease in other budget items. Any increase in state expenditures will be not significant.
- LEAs considering consolidation will develop a plan for transitional funding and ongoing maintenance of effort funding within existing resources without an increase in personnel or a decrease in other budget items. Any increase in local government expenditures to compile and submit this plan to the state will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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